

OREGON INTERNATIONAL PORT OF COOS BAY
Coos Bay, Oregon
REGULAR COMMISSION MEETING & BUDGET HEARING
10:00 a.m., Tuesday, June 20, 2023

Port Commission Chambers, 125 Central Avenue, Suite 230, Coos Bay, Oregon 97420

ATTENDANCE

Commission:

Eric Farm, President; Kyle ViksneHill, Treasurer; Kyle Stevens, Secretary; and Nick Edwards, Commissioner. Brianna Hanson, Vice President was excused.

Staff:

John Burns, Chief Executive Officer; Mike Dunning, Chief Port Operations Officer; Megan Richardson, Director of Finance and Accounting; Margaret Barber, Director of External Affairs and Business Development; Steve Bawn, Charleston Marina Manager; Rick Adamek, Director of Asset Management; Laura Fortin, Administrative Assistant; and Krystal Karcher, Human Resources Generalist.

Media & Guests:

Mr. Joseph Ham, Shipyard Customer.

1. CALL MEETING TO ORDER

President Farm called the meeting to order at 10:00 a.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

3. PUBLIC COMMENT

Mr. Ham shared his concerns for the disrepair of the Charleston Shipyard. Mr. Ham said he had scheduled a million-dollar repair project to be done in Charleston this year. However, he will have to have the work done elsewhere because the Charleston marine ways is not capable of hauling his boat out in its current condition. He is from Charleston and has brought his vessels back every year for repairs and if the Shipyard can get improvements to be capable of hauling the boats, he would prefer to continue having his work done in Charleston. He added that when he brings his boats down for repairs, he spends a lot of money at various businesses in the community as well as the Shipyard.

Commissioner Stevens asked if the issue was the size or the weight of the vessel. Mr. Ham said for him it is the ways. He said a Travel Lift would be great but that is a six-year project, he said he thinks the quickest fix would be to repair the ways that are there now. Mr. Ham said he has four boats fishing out of Kodiak, Alaska, and there are only three months in the year to plan for repairs. He said his family business is still growing and would continue to return to Charleston if the boats can be hauled out.

President Farm asked if there was a way to obtain funding, at what point would the lift fees be too high to be economical to come to Coos Bay? Mr. Ham said he agrees the lift fees need to go up, he said Charleston's lift fees are very low now but to raise them to a comparable cost to other facilities up and

down the coast it would still be beneficial for him to come to Charleston. Commissioner Stevens asked Mr. Ham how many tons his vessels were. Mr. Ham said they are 350 tons. Commissioner Stevens asked if the vessels have to be turned side-ways once they are lifted. Mr. Ham explained that a lot of the repairs are done on the track and the only times he has turned his vessels side-ways was when it was a long-term project taking seven months or more. Commissioner Stevens commented that when they shift the vessel sideways it is an additional \$12,000-\$15,000.

Commissioner Edwards asked Mr. Ham if the Port were to go with a larger lift, could more business from Kodiak be expected in Charleston. Mr. Ham said that there have been vessels from Kodiak in Charleston but not returning customers. He said the Kodiak vessels do not return because they are concerned with the ability of the ways.

President Farm thanked Mr. Ham for his feedback.

4. **CONSENT ITEMS**

- A. Approval of May 16, 2023 Regular Commission Meeting Minutes
- B. Approval of May 24, 2023 Budget Committee Meeting Minutes
- C. Approval of May Invoices
- D. Approval of May Contracts Awarded
- E. Approval of Community Giving Recommendation

Upon a motion by Commissioner ViksneHill (second by Commissioner Stevens), the Board of Commissioners voted to approve the May 16, 2023 Regular Commission Meeting Minutes, May 24, 2023 Budget Committee Meeting Minutes, May Invoices, May Contracts Awarded, and the Community Giving Recommendation. **Motion Passed.** (Ayes: Farm, Stevens, ViksneHill, and Edwards. Nays: None)

5. **MANAGEMENT REPORTS**

All Management Reports were included within the Meeting Packet.

6. **SUPPLEMENTAL BUDGET HEARING – FY 2022/23 BUDGET**

A. Public Hearing

President Farm opened the public hearing at 10:18 a.m.

Staff propose to reallocate department appropriations and contingency in the General Fund and Dredge Fund, as well as an increase in appropriation in the Dredge Fund. In the General Fund, the reallocation of appropriation from the departments and the contingency category is to account for the unforeseen repairs on the rail line bridges expensed in the Rail Operations department.

The Port also proposes to reallocate and increase appropriations in the Dredge Fund. Capital outlay is reallocated to goods and services. The increase of appropriations is for both the personnel services and goods and services. This change in appropriation level is to cover the expenses related to dredging

operations that were not planned for in the adopted budget. During the budget process there was no identified dredge customer, and the revenues and expenditures related to dredging operations were not budgeted.

Staff wishes to amend the 2022/23 budget as follows:

<u>General Fund</u>	<u>Budgeted Amounts</u>	<u>New Amounts</u>	<u>Change</u>
Administration	1,942,034	1,836,538	(105,496)
Charleston Operations	2,332,377	2,148,596	(183,781)
External Affairs	543,394	478,322	(65,072)
Port Operations	1,312,854	945,716	(367,138)
Rail Operations	1,740,193	2,605,215	865,021
Debt Service	1,289,108	1,289,108	-
Transfers to other funds	1,000,000	1,000,000	-
Contingency	668,314	304,301	(364,013)
Special Payments		220,479	220,479
General Fund Total	\$ 10,828,275	\$ 10,828,275	-
<u>Dredge Fund</u>	<u>Budgeted Amounts</u>	<u>New Amounts</u>	<u>Change</u>
Personnel Services	44,191	102,943	58,752
Materials & Services	128,911	299,445	170,533
Capital Outlay	100,000	-	(100,000)
Dredge Fund Total	\$ 273,102	\$ 402,387	\$ 129,285

Under Oregon Budget Law, if a change in expenses to any one fund is greater than 10%, or if allocating contingency to another expense category is greater than 15%, then a budget hearing is required. In the General Fund the increase is less than the threshold and only requires Commission approval. However, the proposed increase to the Dredge Fund is greater than 10% and a supplemental budget hearing is required.

President Farm asked for any public comment or testimony on the proposed resolution. There being none, President Farm closed the public hearing at 10:20 a.m.

B. 2023Res06: Adoption of Supplemental Budget for Fiscal Year 2022/23

Upon a motion by Commissioner Edwards (second by Commissioner ViksneHill), the Board of Commissioners motioned to approve Resolution 2023Res06, a resolution adopting the supplemental budget reallocating appropriations to incorporate changes in the Port’s General Fund and reallocating and increasing appropriations in the Dredge Fund. **Motion Passed.** (Ayes: Farm, Stevens, ViksneHill, and Edwards. Nays: None)

Commissioner ViksneHill asked Ms. Richardson to explain the new payment line. Ms. Richardson said it is a payment made to CBRL and then it is paid back. It is similar to a temporary loan; however, it does not fall under Fund Transfer because CBRL is a separate entity.

President Farm asked where the additional \$129,285 came from. Ms. Richardson said it was revenue from customers; Charleston, Russel Marine and L&S.

7. **BUDGET HEARING – FY 2023/24 BUDGET**

A. Public Hearing

President Farm opened the public hearing at 10:22 a.m.

The Port's Budget Committee approved the proposed 2023/24 Fiscal Year Budget after its first budget committee meeting May 24, 2023. Each year, following the Budget Committee's approval of the budget, the Commission is required to hold a public hearing. The objective of the public hearing is to receive testimony from any person present.

During the regular Commission meeting, the Commission is **allowed to make changes to the budget if the total change in any fund does not exceed \$5,000 or 10%**, whichever is greater. Changes in excess of 10% would require the Commission to publish notice of a second budget hearing and a new financial summary and hold the second hearing before the adjusted budget can be adopted.

If no significant changes are made, the Commission should consider approval of the resolution adopting the budget.

President Farm asked for any public comment or testimony on the proposed resolution. There being none, President Farm closed the public hearing at 10:24 a.m.

B. 2023Res07: Adoption of Budget, Making Appropriations, Imposing and Categorizing Taxes – Combined for Fiscal Year 2023/24

Upon a motion by Commissioner ViksneHill (second by Commissioner Edwards), the Board of Commissioners motioned to approve Resolution 2023Res07, a resolution adopting a budget, making appropriations, imposing, and categorizing taxes – combined for the 2023/24 fiscal year. **Motion Passed.** (Ayes: Farm, Stevens, ViksneHill, and Edwards. Nays: None)

8. **ACTION ITEMS**

A. 2022Res08: Approval of 2023/24 Charleston Marina Rate Schedule

As part of the annual budget process, the Port of Coos Bay and Charleston Marina rates are reviewed each year and may be adjusted by the Consumer Price Index and/or by market analysis (each year staff surveys the rates and schedules of comparable facilities for comparisons).

A 10% increase to the Charleston Marina rates was presented to and discussed at the Port of Coos Bay Budget Committee meeting, and the projected budgeted revenues of the Charleston Marina were based on these revised rates. All services, excluding the Shipyard Environmental Fee and the Shipyard Long-Term Work Area rates will increase.

In addition, fees were added to the Rate Schedule for key cards and late check out in the RV Park.

The proposed red lined 2023/24 Port of Coos Bay Rate Schedule was included in the Commissioner's meeting packet.

The Rate Schedule may be modified and published by resolution of the Port Commission. Upon approval by the Board, the proposed 2023/24 Port of Coos Bay Rate Schedule will become effective July 1, 2023.

Upon a motion by Commissioner ViksneHill (second by Commissioner Stevens), the Board of Commissioners motioned to approve Resolution 2023Res08 modifying and publishing the Port of Coos Bay Rate Schedule as presented, for Fiscal Year 2023/24. **Motion Passed.** (Ayes: Farm, Stevens, and ViksneHill. Nays: Edwards)

B. DMA Task Order #17

At the March 28, 2016, Board of Commissioners meeting, the Commission authorized Commission President David Kronsteiner to execute an Amendment, Assignment, Assumption and Consent Agreement of the prime contract for consulting services for the Channel Modification Project from David Evans and Associates (DEA) to David Miller & Associates (DMA).

Task Order DMA #17 in the amount of \$5,350,500 describes the tasks to be undertaken during FY 2023/24, along with projected costs including work on the project's Environmental Impact Statement. A shift in the primary beneficiaries of the project will require the Port to conduct a new economic feasibility study to include the proposed container terminal and Roseburg Forest Products.

Funding for this Task Order will be provided by the \$15 million grant that was passed by the Oregon legislature in the Spring of 2022.

Upon a motion by Commissioner ViksneHill (second by Commissioner Edwards), the Board of Commissioners motioned to authorize Commission President Eric Farm to execute Task Order DMA #17 for professional services related to the Coos Bay Channel Modification Project in an amount not to exceed \$5,350,500 for work to be performed on the project during FY 2023/24. **Motion Passed.** (Ayes: Farm, Stevens, ViksneHill, and Edwards. Nays: None)

C. Section 107 Marina Dredging Feasibility Study Agreement

On May 11, 2020, the Port submitted a Letter of Interest to the USACE requesting assistance under the Continuing Authorities Program (CAP), Section 107, to conduct a Dredging Feasibility Study to address the recurring sedimentation issues at the north entrance (Point Adams) of the Charleston Marina. This shoaling has persisted annually in recent years, 2015 to present, and can reduce the access channel by >50%. The Port has spent in excess of \$400,000 on dredging this area since 2015. The Federal project (Charleston Channel) is adjacent to this area and experiences the same shoaling and navigational restrictions. The study will analyze multiple alternatives to reduce sedimentation in this area. This may include new jetty structures, assumption of dredging maintenance by the USACE, or other alternatives.

As the Non-Federal Sponsor on the Navigation channel, the Port is required to pay 50% of the study costs, after the USACE's initial expense of \$100,000. The estimate for this study is \$620,000. The Ports estimated match is \$260,000. The first installment of \$150,000 has been budgeted for FY 23/24, with the remaining Port obligations to be paid in FY 24/25.

Upon a motion by Commissioner Edwards (second by Commissioner ViksneHill), the Board of Commissioners motioned to authorize Commission President Eric Farm to execute an agreement with the USACE for the Section 107 Dredging Feasibility Study in the amount of \$260,000. **Motion Passed.** (Ayes: Farm, Stevens, ViksneHill, and Edwards. Nays: None)

Commissioner Stevens asked how long the process will take. Mr. Dunning responded that it would take about two years and was started about one year ago. Commissioner Stevens asked if there is a limit. Mr. Dunning said the Port has asked for the area from the channel entrance to just pass the launch ramp, and there is a \$1.5 million cap on this type of project under 107.

Commissioner Edwards asked how far the jetty modification project will go out. Mr. Dunning said it would go out 125 to 150 feet. Commissioner Edwards said the further out the jetty goes, perhaps it could show a correlation of the sedimentation and prevent it from happening in the future.

President Farm asked where the funds for this project are coming from. Mr. Dunning answered, funds for this project are coming from the Port's General Fund.

9. COMMISSION COMMENTS

Mr. Burns thanked Commissioner Edwards for having brought up an issue in Charleston regarding the lack of markers in the Channel leading from the bridge to the Shipyard. Mr. Dunning said he had a conversation with the local team, and he has not heard back from Mr. Booth from DPW. He added that there is probability that the Coast Guard will put this responsibility back to the Port. Mr. Dunning encouraged boaters to use alternative navigation solutions in the interim.

Commissioner Edwards said he met with District 13 Commander Harris while attending the DoD meetings in Salem. The Commander suggested contacting the Army Corps and asking them to do a survey of the Channel. Commissioner Edwards added that the Coos Bay Pilots are going to the Harbor Safety Committee with a plan to share maps with the public.

Mr. Burns pointed out that the Port had soundings done in the Marina Complex last December and is planning to have them added to the Port's website.

10. NEXT MEETING DATE – Tuesday, July 18, 2023, at 10:00 a.m.

11. ADJOURN

President Farm adjourned the meeting at 10:40 a.m. and entered into Executive Session to:

- (d) conduct deliberations with person designated by the governing body to carry on labor negotiations;
- (e) conduct deliberations with persons designated by the governing body to negotiate real property transactions;
- (g) consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;

- (j) carry on negotiations under ORS Chapter 293 with private persons or businesses regarding proposed acquisition, exchange, or liquidation of public investments; and
- (n) discuss information about review or approval of programs relating to the security of a number of specified structures, activities, and materials relevant to the operation of the state's infrastructure.